

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 TRSE-00 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 /082 R

DRAFTED BY USIDB:EJFINKEL/RADUNGAN/EB/IFD/ODF:FVNASH

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TREAS/OIDB:CIBRADFORD (SUBS)

TREAS/DAS:ANACHMANOFF (SUBS)

ARA/ECP:RTAYLOR(DRAFT)CP:RTAYLOR (D

-----010668 300136Z /75

R 291800Z JUL 77

FM SECSTATE WASHDC

TO AMEMBASSY QUITO

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E.O. 11652: N/A

TAGS: EFIN, IDB, EC

SUBJECT: IDB-FSO - ECUADOR

1. U.S. CONCURRED 13 JULY IN FAVORABLE IDB BOARD
(COMMITTEE OF WHOLE) ACTION ON \$11.8 MILLION IRRIGATION
LOAN TO ECUADOR FUNDED FROM FSO RESOURCES. FORMAL BOARD
APPROVAL EXPECTED 21 JULY. U.S. EXECUTIVE DIRECTOR MADE
FOLLOWING POINTS:

A. ECUADOR'S CURRENT ECONOMIC SITUATION STRONGLY SUGGESTS
NEED FOR REVIEW OF MIX BETWEEN HARD AND SOFT LENDING
ON BALANCE OF LOAN PROJECTS IN 1977 PROGRAM.

B. MORE GENERALLY, REVIEW NEEDED OF IDB SYSTEM OF
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CLASSIFYING COUNTRIES FOR FSO ELIGIBILITY SO AS TO
INSURE THAT INDIVIDUAL COUNTRY SITUATIONS, INCLUDING
SIGNIFICANT STRUCTURAL CHANGES, ARE TAKEN INTO ACCOUNT.

C. BANK NEEDS TO GIVE MORE CONCENTRATED ATTENTION TO
DOMESTIC RESOURCE MOBILIZATION BY BORROWING COUNTRY
IN MAKING DECISION ON HARD/SOFT LOAN MIX. ECUADOR

AN EXAMPLE OF COUNTRY WHERE DOMESTIC POLICY MEASURES
COULD SUBSTANTIALLY REDUCE REQUIREMENT FOR CONCES-
SIONAL RESOURCES. SIMILARLY, LOAN PROPOSALS SHOULD

BE SET IN CONTEXT OF OVERALL COUNTRY DEVELOPMENT
STRATEGY AS WELL AS SECTORAL STRATEGY. STRONG PITCH
MADE FOR PLACING ANY FUTURE LOANS IN CONTEXT OF
OVERALL AND SECTORAL STRATEGY AS WELL AS IDB
EVALUATION OF COUNTRY'S OPTIMIZATION OF ITS OWN
RESOURCES.

2. FYI. THE USG IS NOW UNDERTAKING REVIEW OF FSO
ELIGIBILITY CRITERIA WITH OBJECTIVE OF TRYING TO MODIFY
BANK PROCEDURES SO THAT THEY MORE CLOSELY CONFORM WITH
OUR PRIORITIES FOR USE OF THIS SCARCE CONCESSIONAL
RESOURCE. MODIFIED FSO CRITERIA, IF ADOPTED, WILL BE
APPLIED TO ECUADOR'S FORTHCOMING FSO PROJECTS, AS
WELL AS THOSE OF OTHER COUNTRIES. APPRECIATED
QUITO 4480, WHICH WILL BE USEFUL IN THIS EXERCISE.
APPRECIATE ALSO ANY FURTHER EMBASSY INPUT. END FYI. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IRRIGATION, DEVELOPMENT BANKS, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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Message ID: bacf5b65-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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SAS ID: 1780356
Secure: OPEN
Status: NATIVE
Subject: IDB-FSO - ECUADOR
TAGS: EFIN, EC, IDB
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Type: TE
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